FOREIGN AFFAIRS REFORM/Unconditional Arrearages

SUBJECT: Foreign Affairs Reform and Restructuring Act of 1997 . . . S. 903. Lugar amendment No. 382.

ACTION: AMENDMENT REJECTED, 25-73

SYNOPSIS: As reported, S. 908, the Foreign Affairs Reform and Restructuring Act of 1997, will reorganize and consolidate the foreign affairs agencies of the United States Government. Arrearages of \$819 million to the United Nations will be paid over 3 years subject to certain conditions. The bill will authorize \$6.08 billion in fiscal year (FY) 1998 and \$5.93 billion in FY 1999 for the State Department and other foreign affairs agencies, including the Peace Corps.

The Lugar amendment would strike the conditions that the bill will place on the payment of arrearages to the United Nations (U.N.), and would provide \$409.5 million in such payments in FY 1998 and \$409.5 million in FY 1999. (The bill will provide \$100 million in FY 1998, \$475 million in FY 1999, and \$244 million in FY 2002, subject to the State Department making certain certifications. See vote No. 105 for those certifications.)

Those favoring the amendment contended:

The United States is heavily in debt to the U.N. It has held back large amounts of its annual dues in an effort to coerce the U.N.into making policy changes. This bill will provide most of the amount that the United States owes, but again it will only give that money if the United Nations meets certain conditions. In total, \$816 million will be provided over 3 years. We think that the approach taken by this bill is mistaken for four reasons. First, nearly all of the money that the United States owes--\$650 million--is owed to its allies for peacekeeping activities, most of which were in Bosnia. The United Nations will not get that \$650 million; it will serve only as a conduit for the funds. The United States did not send troops to the U.N. Bosnia mission, but it voted to help fund the efforts of those countries that did. The United States owes most of its North Atlantic Treaty Organization (NATO) allies for United Nations military efforts that it was unwilling to join but that were to its benefit. Refusing not only to join efforts but also to

YEAS (25)		NAYS (73)			NOT VOTING (2)	
Republicans	Democrats	Republicans		Democrats	Republicans	Democrats
	Democrats (21 or 49%) Akaka Bingaman Boxer Bumpers Dodd Durbin Feingold Glenn Kennedy Kerrey Landrieu Lautenberg Leahy Levin Lieberman Moseley-Braun Murray Reed Sarbanes Wellstone	Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Faircloth Frist Gorton Gramm Grams Grassley	Helms Hutchinson Hutchison Inhofe Kempthorne Kyl Lott Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Stevens Thomas Thompson	Democrats (22 or 51%) Baucus Biden Breaux Bryan Byrd Cleland Conrad Dorgan Feinstein Ford Graham Hollings Inouye Johnson Kohl Mikulski Moynihan Reid Robb Rockefeller Torricelli Wyden	EXPLA! 1—Offic 2—Necc 3—Illne	_
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help pay for them will hurt the NATO alliance and will generally make the United States less effective in world diplomacy. Second, attaching conditions will likely result in little money being given. The long laundry list of requirements will be difficult to meet. Third, while we concede management reforms are necessary, withholding funds will not help. The United Nations will be less likely to listen to a country that is delinquent on its assessments than it will be to a country that is meeting its responsibilities. Fourth, the American people do not want the United States to withhold assistance. Polls have consistently shown that Americans are opposed to withholding annual assessments to the United Nations in an effort to get it to change its policies. The American people are right. The U.N. serves as a forceful advocate for peace and justice in the world. In order for the U.N. to remain effective, the United States must stay involved, and in order for the United States to stay involved, it must pay its arrearages. The Lugar amendment would make the United States pay the arrearages that it owes, without preconditions. We urge our colleagues to support this amendment.

Those opposing the amendment contended:

Argument 1:

The United Nations is inefficient, riddled with cronyism, and so mismanaged that it is impossible to trace how it spends its money. Additionally, recent efforts have been made to expand its authority; suggestions have even been made that it should be able to impose taxes on the American people and that it should have a standing army. The American people do not support having their money wasted by the United Nations, and they do not support having the United Nations infringe on the United States' sovereignty. Most of the conditions on paying arrearages that our colleagues want to strike are on these two points; we wonder if our colleagues have any polls suggesting that the American people are in favor of wasteful spending or ceding sovereignty to foreign nations. The other conditions are to lower the unfairly high assessments placed on the United States. The United States pays close to a third of the peacekeeping costs and about a fourth of the general operating costs. We believe, and the Clinton Administration concurs, that these high assessments are unjustified and should be lowered. The United Nations, in fact, has already indicated that it will be willing to lower them as demanded by this bill.

Supporters of this amendment have implied that the United States has been parsimonious in paying for peacekeeping efforts. They are wrong. Since 1950 the United States has given more than \$120 billion in military assistance to other countries, including \$40.4 billion in just the past 10 years. The United States has paid heavily to defend freedom this century, and it has given its allies plenty of military assistance as well. The reason the United States owes arrearages to its allies for their operations in Bosnia is that the Clinton Administration committed the United States to paying for the U.N. operation there despite prior and explicit congressional disapproval. Congress strongly opposed that operation, which failed miserably to control the fighting or ethnic cleansing. The United States now "owes" its allies \$533 million for that disastrous effort. We remind our colleagues as well that the United States has spent more than \$6.5 billion in Bosnia both during and after the United Nations involvement. In any event, our allies will be paid under the terms of this bill. We have already been assured that the conditions for the first two years will be met, which will result in payments of \$575 million. Additionally, the United States could forgive some debt that the United Nations owes to it, which would result in more than enough (\$710 million) to pay our allies.

There is nothing unprecedented in the conditions on paying arrearages that are proposed in this bill. Republican and Democratic Congresses alike have passed such conditions over the years. They were right to enact those conditions. It is Congress' duty to ensure that the taxpayers' money is spent wisely. The Lugar amendment would shirk that duty and should thus be defeated.

Argument 2:

We are in sympathy with many of the arguments made by supporters of the Lugar amendment. We would rather pay the arrearages without any conditions, and we would rather give the full amount owed. Interestingly, this amendment would still only provide \$816 million, even though the Clinton Administration estimates that more than \$1 billion is owed and the United Nations claims that more than \$1.3 billion is owed. Many Senators do not want to pay any arrearages; other Senators want to pay in full without any conditions; the compromise is to pay \$816 million with some conditions. Our colleagues have presented their amendment as though it would simply pay off the United States' debt unconditionally, but the fact of the matter is that it would have very little substantive effect. The conditions for the first two years on sovereignty and assessment levels will be met easily. In the third year, it is possible that the United Nations will yet again have failed to implement the needed reforms, but by then almost all of the arrearages will have been paid, including the amounts needed to reimburse our allies for peacekeeping activities. As we see matters, the main compromise, the funding level, will not be changed. In return for accomplishing the negligible goal of making funding in the third year a little more certain, the Lugar amendment would greatly diminish support for providing any funding at all. Those Senators who do not want to pay arrearages will not accept the removal of the conditions that are in the compromise bill language. We are satisfied with the compromise. Therefore, we most oppose this amendment.